

ASX Release

SUDA LTD: APPENDIX 4D FOR HALF YEAR ENDED 31 DECEMBER 2015

PERTH, AUSTRALIA – 26 February 2016: SUDA LTD (ASX: SUD), a leader in oro-mucosal drug delivery, today released its Appendix 4D for the consolidated Group for the half year ended 31 December 2015.

Key events during the reporting period included:

- i. The acquisition of the 20% minority interest in SUDA's subsidiary company Malaria Research Company Pty Ltd;
- ii. A new subsidiary company, Suda Europe Ltd, was established in the UK;
- iii. The 2013 convertible notes which matured on 30 September 2015 were either extended by noteholders or redeemed and replaced by new noteholders;
- iv. A new patent granted for ArTiMist™ in Africa and the Company's first patent allowed for SUD-003 in the USA;
- v. Expanded its territorial rights to ZolpiMist®; and
- vi. Business development activities have progressed across the pipeline of projects.



Further information:

STEPHEN CARTER
CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR
SUDA LTD

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NOTES TO EDITORS:

About SUDA LTD

SUDA LTD (ASX: SUD) is a drug delivery company focused on oro-mucosal administration, headquartered in Perth, Western Australia. The Company is developing novel oral spray formulations of existing off-patent pharmaceuticals using its proprietary OroMist® drug delivery technology platform. The many potential benefits of administering drugs through the oral mucosa (ie: cheeks, tongue, gums and palate) include ease of use, lower dosage, reduced side effects and faster response time. SUDA's product pipeline includes ZolpiMist®, a first-in-class oral spray of zolpidem for insomnia. ZolpiMist® has been approved in the USA and SUDA has rights to the product outside of North America. SUDA's most advanced development-stage product, ArTiMist™, is a novel sublingual malaria treatment for children. In a Phase III trial, ArTiMist™ was shown to be superior to intravenous quinine. Other products in development include oral sprays for the treatment of migraine headache, chemotherapy-induced nausea and vomiting, erectile dysfunction and pre-procedural anxiety. For more information, visit www.sudaltd.com.au

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Appendix 4D

Half Year Ended 31 December 2015

1. Name of entity

SUDA LTD AND CONTROLLED ENTITIES

ABN

35 090 987 250

Half year ended ('current period')

31 December 2015

Revenue / Profit	Movement	Change (%)	31 Dec 15 \$'000	31 Dec 14 \$'000
2.1 Revenues from ordinary activities	Down	3%	2,834	2,934
2.2 Loss from ordinary activities after tax attributable to members	Down	7%	1,811	1,945
2.3 Net loss for the period attributable to members	Down	7%	1,811	1,945
2.4 Dividends			Amount per security	Franked amount per security
Interim dividend			0.0c	N/a
Dividend previous corresponding period			0.0c	N/a
2.5 Record date for determining entitlements to the dividend.			N/a	N/a
2.6 Brief explanation of any of the figures reported above (2.1 – 2.4):				

Suda Ltd continues to invest in its pipeline of projects. A summary of performance of Suda Ltd's subsidiary companies include:

- i. Westcoast Surgical and Medical Supplies Pty Ltd has maintained revenue whilst also reducing operating costs.
- ii. Malaria Research Company Pty Ltd continues to pursue the pre-referral trial for ArTiMist™ as well as seeking grants to fund the trial.
- iii. Suda Europe Ltd has been set up in the UK but no costs were incurred in the reporting period.

Earnings per Share	31 December 2015	31 December 2014
Basic loss per share (cents)	(0.16)	(0.20)
Diluted loss per share (cents)	(0.16)	(0.20)
Number of shares	1,140,584,134	984,036,170
Net Tangible Assets	\$3,525,665	\$2,627,398
Net tangible assets per share (cents)	0.31	0.27

Compliance statement

1. An interim report for the half year ended 31 December 2015 is provided with the Appendix 4D information.
2. The interim report and the accounts, upon which this report is based, have been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus.
3. This report, and the accounts upon which the report is based, use the same accounting policies.
4. This report gives a true and fair picture of the matters disclosed.
5. This report is based on *accounts to which one of the following applies.
 - The *accounts have been audited.
 - The *accounts have been subject to review.
 - The *accounts are in the process of being audited or subject to review.
 - The *accounts have *not* yet been audited or reviewed.
6. If the audit report or review by the auditor is not attached, details of any qualifications will follow immediately they are available.
7. The entity does have a formally constituted audit committee.



.....
Stephen Carter
Director

Date: 26 February 2016

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SUDA LTD

AND CONTROLLED ENTITIES

(ABN 35 090 987 250)

**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2015**

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CORPORATE DIRECTORY

Directors	Mr Stephen Carter Mr Michael Stewart Mr Joseph Ohayon	Executive Director Chairman (Non-Executive Director) Executive Director
Company Secretary	Mr Joseph Ohayon	
Registered Office	Suda Ltd ABN 35 090 987 250 Level 1, Unit 12, 55 Howe St Osborne Park WA 6017 Telephone Facsimile Email Website	PO Box 1719 Osborne Park BC, WA 6916 (08) 6142 5555 (08) 9443 8858 info@sudaltd.com.au www.sudaltd.com.au
Share Registry	Advanced Share Registry Services 110 Stirling Highway Nedlands WA 6009 Telephone Facsimile	PO Box 1156 Nedlands WA 6909 (08) 9389 8033 (08) 9389 7871
Auditors	HLB Mann Judd (WA Partnership) Level 4, 130 Stirling Street Perth WA 6000 Telephone Facsimile	(08) 9227 7500 (08) 9227 7533
Bankers	Westpac Banking Corporation Corporate Banking 109 St Georges Terrace Perth WA 6000	
Home Stock Exchange	Australian Securities Exchange Ltd Exchange Plaza 2 The Esplanade Perth WA 6000 Listing codes: Ordinary Shares	 SUD

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DIRECTORS' REPORT

Your Directors present their financial report of Suda Ltd and its controlled entities for the half year ended 31 December 2015. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of the Directors who held office during or since the end of the interim period and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Stephen Carter	Executive Director
Mr Michael Stewart	Chairman (Non Executive)
Mr Joseph Ohayon	Executive Director

Review and results of operations

The revenue for the period was \$2,833,765 (Dec 2014: \$2,933,865) all of which related to the subsidiary company Westcoast Surgical and Medical Supplies Pty Ltd.

The loss of the Group amounted to \$1,811,423 (Dec 2014: \$1,944,854).

Some of the highlights during the period included:

- i. Acquisition of minority interest

In August 2015, Suda acquired the 20% minority interest in Malaria Research Company Pty Ltd for \$1,200,000 which was in full and final settlement of all outstanding liabilities.

- ii. Suda Europe Pty Ltd

In August 2015, the Company set up a subsidiary company in the United Kingdom to access European grants for its core projects.

- iii. Convertible Notes

2013 Convertible Notes aggregating to \$1,625,000 ("Notes") matured on 30 September 2015. An aggregate of \$800,000 of Notes were redeemed by Noteholders and an aggregate of \$825,000 of Notes were extended by the Noteholders. New convertible notes were issued for \$905,000 resulting in an aggregate convertible notes of \$1,730,000 with a maturity date of 31 March 2017.

- iv. Project update

ArTiMist™

The Company was granted a patent in Africa for its ArTiMist™ anti-malarial spray. The patent was issued by the African Regional Intellectual Property Organization (ARIPO), which is an intergovernmental organisation for cooperation among African states in intellectual property matters. ARIPO comprises 19 member states, including the major countries in malaria-endemic Sub-Saharan Africa.

In November 2015, the Company attended the Northern Australia Investment Forum held in Darwin, Australia. The Forum was a high-level, invitation-only event. Attendees included philanthropic groups such as Medicines for Malaria Venture, Wellcome Trust and Drugs for Neglected Disease initiative as well as most of the major pharmaceutical companies that have existing interests in developing anti-malarial treatments.

SUD-001 (Sumatriptan)

Suda Ltd submitted a Type C meeting briefing package to the FDA on 13 June 2015 containing details of the proposed pivotal study of SUD-001 and other activities intended to support a New Drug Application in the USA. Suda Ltd's FDA briefing package was accompanied by a series of questions relating to the development plan.

The FDA acknowledged Suda Ltd's proposed development strategy and requested only minor justifications to the study design. Furthermore, the agency had no comments regarding the company's plans for chemistry, manufacturing, controls and non-clinical studies of SUD-001. The FDA also requested that the company submit a paediatric study plan in migraineurs aged 6-17 years who could benefit from Suda Ltd's first-in-class oral-spray migraine therapy.

Directors Report (Continued)

SUD-002 (Ondansetron)

Suda Ltd has regained the global rights to SUD-002, the Company's oral spray of ondansetron for treating nausea and vomiting induced by chemotherapy, radiotherapy or surgery. The Company aims to have a pre-NDA meeting with the FDA in 2016 to discuss a proposed regulatory submission of SUD-002 in the USA.

SUD-003 (Duromist)

Suda Ltd has been allowed its first patent in the USA for "Oral Spray Formulations and Methods for Administration of Sildenafil" for the treatment of SSRI-induced erectile dysfunction and pulmonary arterial hypertension.

Zolpimist®

In December 2015, the Company entered into a new agreement with Amherst Pharmaceuticals, LLC. Suda Ltd expanded its territorial rights to ZolpiMist® to include South America, Central America and South Africa. As a result, the Company now has a global license, excluding North America, to this US-registered oral spray of zolpidem tartrate for the treatment of insomnia.

After balance date events

There were no after balance date events.

Auditor's Independence Declaration

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 4 and forms part of the Directors' Report for the half year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.



.....
S.J. Carter
Director

Dated at Perth this 26th February 2016

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Suda Limited for the half-year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia
26 February 2016

N G Neill
Partner

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2015

	Note	Group	
		31 Dec 2015 \$	31 Dec 2014 \$
Revenues		2,833,765	2,933,865
Interest income		48,169	65,288
Other income		4,512	111,265
Raw materials and consumables used		(2,249,952)	(2,482,340)
Employee benefits expense		(1,004,486)	(1,254,678)
Depreciation and amortisation expense		(69,042)	(54,967)
Finance costs		(135,463)	(82,642)
Other expenses		(1,238,926)	(1,193,141)
Loss before income tax	2	(1,811,423)	(1,957,350)
Income tax expense		-	-
Loss for the period		(1,811,423)	(1,957,350)
Total comprehensive loss for the period		(1,811,423)	(1,957,350)
Loss and total comprehensive loss attributable to:			
Owners of the parent		(1,811,423)	(1,944,854)
Non-controlling interests		-	(12,496)
		(1,811,423)	(1,957,350)
Earnings per share			
Basic loss per share (cents)		(0.16)	(0.20)
Diluted loss per share (cents)		(0.16)	(0.20)

The accompanying notes form part of these financial statements.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 December 2015

	Note	Group	
		31 Dec 2015	30 Jun 2015
		\$	\$
ASSETS			
Current assets			
Cash & cash equivalents		3,395,612	6,251,947
Trade & other receivables		1,293,907	1,318,621
Inventories		1,456,256	1,540,554
Other assets		157,891	233,258
Total current assets		6,303,666	9,344,380
Non-current assets			
Property, plant and equipment		317,918	388,617
Intangible assets	3	13,505,767	13,087,746
Total non-current assets		13,823,685	13,476,363
Total assets		20,127,351	22,820,743
LIABILITIES			
Current liabilities			
Trade & other payables		1,365,918	1,795,156
Borrowings		-	1,725,000
Total current liabilities		1,365,918	3,520,156
Non-current liabilities			
Borrowings		1,730,000	-
Total non-current liabilities		1,730,000	-
Total liabilities		3,095,918	3,520,156
Net assets		17,031,433	19,300,587
EQUITY			
Issued capital	5	55,704,772	55,573,622
Reserves		2,070,522	628,255
Accumulated losses		(40,743,861)	(38,932,438)
Equity attributable to the parent entity		17,031,433	17,269,439
Non-controlling interests		-	2,031,148
TOTAL EQUITY		17,031,433	19,300,587

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2015

	Issued Capital \$	Accumulated Losses \$	Share-based Payment Reserve \$	Minority Interest Acquisition Reserve \$	Non-controlling Interests \$	Total \$
Balance as at 1 July 2014	48,944,557	(35,565,247)	569,958	-	2,042,288	15,991,556
Shares issued during the half year	1,484,660	-	-	-	-	1,484,660
Options issued during the half year	-	-	58,297	-	-	58,297
Transaction costs	(32,680)	-	-	-	-	(32,680)
Loss for the half year attributable to non-controlling interest	-	-	-	-	(12,496)	(12,496)
Loss for the year attributable to members of the parent entity	-	(1,944,854)	-	-	-	(1,944,854)
Balance as at 31 December 2014	50,396,537	(37,510,101)	628,255	-	2,029,792	15,544,483
Balance as at 1 July 2015	55,573,622	(38,932,438)	628,255	-	2,031,148	19,300,587
Shares issued during the half year	131,150	-	-	-	-	131,150
Acquisition of minority shareholding	-	-	-	-	(2,031,148)	(2,031,148)
Recognition of share-based payments expense	-	-	38,000	-	-	38,000
Project development reserve on acquisition of minority shareholding	-	-	-	1,404,267	-	1,404,267
Loss for the year attributable to members of the parent entity	-	(1,811,423)	-	-	-	(1,811,423)
Balance as at 31 December 2015	55,704,772	(40,743,861)	666,255	1,404,267	-	17,031,433

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2015

	Group	
	31 Dec 2015	31 Dec 2014
	\$	\$
Cash flows from operating activities		
Receipts from customers	2,861,464	3,055,278
Payments to suppliers and employees	(4,108,241)	(5,137,073)
Receipts for R&D tax incentives	-	188,290
Interest received	31,815	92,974
Finance costs	(101,420)	(47,146)
Net cash (outflow) from operating operations	<u>(1,316,382)</u>	<u>(1,847,677)</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	31,522	-
Payment for development of products	(951,315)	(688,446)
Payment for acquisition of minority interest	(647,077)	-
Payment for property, plant & equipment	(42,083)	(85,254)
Net cash inflow/(outflow) from investing activities	<u>(1,608,953)</u>	<u>(773,700)</u>
Cash flows from financing activities		
Proceeds from share issues	-	1,713,348
Payments for capital raising costs	(36,000)	(32,680)
Repayment of borrowings	(920,000)	-
Proceeds from borrowings	1,025,000	-
Net cash inflow/(outflows) from financing activities	<u>69,000</u>	<u>1,680,668</u>
Net increase / (decrease) in cash held	(2,856,335)	(940,709)
Cash and cash equivalents at the beginning of period	6,251,947	3,990,397
Cash and cash equivalents at the end of period	<u><u>3,395,612</u></u>	<u><u>3,049,688</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2015

NOTE 1: SUMMARY OF ACCOUNTING POLICIES

(a) Statement of compliance

These half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

This condensed half-year financial report does not contain full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2015 and any public announcements made by Suda Ltd and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

(b) Basis of Preparation

The half-year report has been prepared on an accruals basis and is based on historical costs except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

(c) Accounting policies and methods of computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and International Financial Reporting Standards.

(d) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015. It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review, the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change is necessary to Group accounting policies.

(d) Significant accounting judgments and key estimates

The preparation of half-year financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2015.

	GROUP	
	31 Dec 2015	31 Dec 2014
NOTE 2: LOSS FROM ORDINARY ACTIVITIES	\$	\$

The following expense items are relevant in explaining the financial performance for the interim period:

Expenses

Depreciation and amortisation expense	69,042	54,967
Impairment (inventory)	214,414	-
Borrowing cost expense	135,463	82,642
Legal expenses	210,442	315,674

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2015

NOTE 3: INTANGIBLE ASSETS

	31 Dec 2015	30 June 2015
	\$	\$
Development Costs		
Opening balance as at 1 July	13,087,746	12,549,453
Additions for the period	418,021	538,293
Net carrying value	<u>13,505,767</u>	<u>13,087,746</u>

NOTE 4: DIVIDENDS

The Board of Directors of Suda Ltd does not recommend the payment of an interim dividend for the period ended 31 December 2015.

NOTE 5: ISSUED CAPITAL

	31 Dec 2015	30 June 2015
	\$	\$
(a) Ordinary Shares		
Issued and fully paid	<u>55,704,772</u>	<u>55,573,622</u>
	Movements for the 6 months ended 31 Dec 2015	
	Number	\$
Balance at beginning of period	1,136,010,587	55,573,622
Shares issued during the period:		
– convertible notes exercised	3,339,880	100,000
– settlement of interest on convertible notes	1,233,667	31,150
	<u>1,140,584,134</u>	<u>55,704,772</u>

NOTE 6: SEGMENT INFORMATION

Identification of reportable segments

AASB 8 requires operating segments to be identified on the basis of internal reports and components of the Group that are regularly reviewed by the Board in order to allocate resources to the segment and to assess its performance.

The segments are consistent with the segments in the 2015 Annual Financial Statements.

Information regarding the segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following tables are an analysis of the Group's revenue and results by reportable segment provided to the Board for the half year ended 31 December 2015 and 31 December 2014.

Primary reporting: Business Segments:	Suda	Westcoast	MRC	Unallocated items	Total
	\$	\$	\$	\$	\$
6 months ended 31 December 2015					
Segment revenue	205,254	2,833,765	-	-	3,039,019
Intersegment revenue	(205,254)	-	-	-	(205,254)
Revenue from external customers	<u>-</u>	<u>2,833,765</u>	<u>-</u>	<u>-</u>	<u>2,833,765</u>
Segment result	<u>(1,462,943)</u>	<u>(157,869)</u>	<u>(134,910)</u>	<u>(55,701)</u>	<u>(1,811,423)</u>
6 months ended 31 December 2014					
Segment revenue	190,220	2,933,865	-	-	3,124,085
Intersegment revenue	(190,220)	-	-	-	(190,220)
Revenue from external customers	<u>-</u>	<u>2,933,865</u>	<u>-</u>	<u>-</u>	<u>2,933,865</u>
Segment result	<u>(1,280,549)</u>	<u>(540,958)</u>	<u>(62,482)</u>	<u>(73,361)</u>	<u>(1,957,350)</u>

The revenue reported above represents revenue generated from external customers. Intersegment revenues have been eliminated.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2015

NOTE 7: BORROWINGS

2013 Convertible Notes aggregating to \$1,625,000 ("Notes") matured on 30 September 2015. An aggregate of \$800,000 of Notes were redeemed by Noteholders and an aggregate of \$825,000 of Notes were extended by the Noteholders. New convertible notes were issued for \$905,000 resulting in an aggregate convertible notes of \$1,730,000 with a maturity date of 31 March 2017.

NOTE 8: FINANCIAL INSTRUMENTS

The Directors consider that the carrying value of the financial assets and financial liabilities as recognised in the consolidated financial statements approximate their fair values.

NOTE 9: CONTINGENT LIABILITIES

HC Berlin Pharma

In 2009, the company received 8 million one euro shares in consideration of the Manufacturing Rights for ArTiMist™ from HC Berlin Pharma AG which then went into provisional administration in June 2010. The Directors have legal advice that confirms that the rights are the property of Suda Ltd and, that due to the negligent and fraudulent action of others, Suda Ltd cannot be held liable for payment for the 8 million one euro shares issued in 2009 in exchange for the manufacturing rights. The Directors continue to be of the opinion that these issues will not be materially detrimental to the shareholders of Suda Ltd.

NOTE 10: EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to the balance date.

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DIRECTORS' DECLARATION

The Directors of Suda Ltd declare that:

1. the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year then ended.
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.



.....
Stephen Carter
Director

Dated at Perth this 26th February 2016

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Suda Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Suda Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2015, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Suda Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Norman G. Neill

**N G Neill
Partner**

**Perth, Western Australia
26 February 2016**

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